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C O N F I D E N T I A L SECTION 01 OF 05 TAIPEI 002628

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TAGS: PGOV PREL TW

SUBJECT: SQUABBLE OVER VOTING PROCEDURES; PROSPECTS FOR DPP
UN REFERENDUM

REF: A. TAIPEI 2588

1B. TAIPEI 2503

1C. TAIPEI 2116

Classified By: AIT Director Stephen M. Young,

Reasons: 1.4 (b/d)

11. (C) Summary: The DPP central government and KMT local governments continue to argue over the procedures to be used for voting in legislative elections and two referenda on January 12. The KMT fears that the DPP's "one-step" procedure, under which voters cast election and referendum ballots at the same time, will set a precedent that could hurt KMT candidate Ma Ying-jeou's chances in the March presidential election. However, the KMT faces pressure to compromise both from the DPP government and from within its own camp, to ensure the dispute does not interfere with smooth elections in which the KMT hopes to win a major victory.

12. (C) Summary Continued: Some recent polling by the KMT and by an outside pollster suggests that public support for the UN referendum has declined since September and that the referendum is unlikely to meet the required participation threshold of 50 percent of eligible voters. On the other hand, DPP Secretary General Cho Jung-tai recently told DDIR that he expects more than ten million voters to support the referendum, which would exceed the participation threshold by a significant margin. Because the DPP's big push on the UN referendum is expected to come only in the late stages of the presidential campaign, current predictions are not a reliable guide to the referendum's prospects on March 22. End Summary.

DPP-KMT Dispute over Voting Procedures

13. (U) The DPP-controlled Central Election Commission (CEC) on November 16 adopted the "one-step" voting process for the Legislative Yuan (LY) elections on January 12 (Ref B). Under the one-step process, voters entering polling stations on election day first go to a table where they can pick up two legislative ballots, one for district legislators and the other for party at-large seats. Voters may then, if they choose, proceed to a second table to take ballots for the DPP-initiated referendum on recovering KMT "ill-gotten" party assets and/or the KMT-supported anti-corruption referendum.

After obtaining the desired ballots, voters enter a voting booth to mark their ballots in secret and then go to another set of tables with four ballot boxes, one for each ballot, to cast their votes. The CEC also decided on November 16 that ballots deposited in the wrong box will still be considered valid.

¶4. (U) The KMT refused to accept the CEC's November 16 decision on the one-step voting process, and continues to insist it will use a "two-step" process in the 18 counties and cities governed by pan-Blue magistrates and mayors. Under the two step process, voters pick up only the two legislative ballots when they first enter the polling station, and they then go to a voting booth, mark the legislative ballots in secret, and cast them in the legislative election ballot boxes. Only after completing voting in the legislative elections do voters have the option of going to a second area in the polling station to pick up one or both referendum ballots, which they then mark and cast in a separate set of voting booths and ballot boxes.

¶5. (SBU) Since November 16, the CEC has been trying to persuade local governments and local election commissions controlled by the KMT to comply with its one-step decision. CEC officials have offered to consult and have made some "compromises," and they have also threatened to punish election workers who violate CEC directives. Despite occasional hints of internal differences and wavering, the KMT is holding out so far. On December 4, the CEC held a dinner for local election commission heads aimed at convincing pan-Blue governed counties and cities to accept the one-step voting procedure. However, Taitung was the only Blue county to send a representative to the dinner.

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¶6. (SBU) The same evening, the CEC announced that large signs would be posted outside polling stations on election day, reminding voters they have the right not to participate in the referenda. The CEC also announced it would require polling stations to separate the tables distributing the legislative and referenda ballots by 50 cm or more. Despite these "compromises," the KMT continues to insist that it will use the two-step voting process in the counties and cities it governs. The CEC has proposed further consultations with KMT-controlled local election commissions. Though they subsequently retreated, President Chen and other DPP leaders raised the specter of postponed elections should there be major problems, presumably to pressure the KMT into compliance.

DPP Taking a Tough Line

¶7. (C) Under questioning by a KMT legislator on December 17, CEC Secretary General Teng Tien-yu said he believed election results would be valid even if held under the two-step format. Teng's "personal" view was immediately contradicted by DPP leaders and his boss, CEC Chairman Chang Cheng-hsiung. Chang announced at a press conference on December 18 that local election officials who violate the one-step procedure could face criminal prosecution. He also said that the CEC would determine within a week after the election whether the results of elections and referenda held under the two-step format were valid. DPP leaders, including President Chen, have been even blunter, insisting that two-step voting is illegal and invalid. While it is not clear how or even if this issue will be resolved by January 12, a number of pro-Blue contacts have told AIT they expect that the KMT will back down in the end. On a recent talk show, a DPP legislator also predicted that the KMT will eventually yield under pressure from its own LY candidates, who will not want any problems on election day that could possibly compromise their electoral chances.

¶8. (C) The November 16 CEC decision on "one-step" voting

applies only to the January 12 LY elections. The low turnout rate in legislative elections (on the order of 60 percent) makes it highly unlikely that either referendum being considered on January 12 will meet the participation threshold, regardless of voting procedures. The reason for the current stiff battle between the KMT and DPP over the voting procedure issue is that both parties view the CEC decision, if it stands, as establishing a strong precedent for the voting procedures to be used in the March 22 presidential election.

¶9. (C) The KMT fears that one-step voting will increase chances that the DPP UN referendum will pass and, more important, will hurt Ma Ying-jeou's electoral prospects. In a recent "leaked" memo, KMT Vice Presidential candidate Vincent Siew explained that "two-step" voting would make it difficult for the DPP UN referendum to pass. The KMT may be hoping to reduce pressure from Beijing and some deep Blues, who have quietly criticized the KMT for launching a UN referendum of its own instead of taking a strong stand against the more objectionable DPP referendum. While the DPP hopes to pressure the KMT into complying with the CEC's one-step decision, it may also believe that the continuing dispute plays into its hands because it takes the spotlight off economic issues, and enables the DPP to accuse the KMT of colluding with Beijing in undermining the "democratic" referendum process.

Voter Participation Requirement to Validate a Referendum

¶10. (U) A referendum in Taiwan has to meet two tests to pass. The more difficult test, which validates the results of a referendum, is that more than 50 percent of eligible voters have to participate in the referendum. Taiwan does not require voter registration, and the lists of eligible voters are prepared by the CEC, based on the household registers maintained by local governments. Current estimates

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are that there are roughly 17 million eligible voters. If more than 50 percent of eligible voters participate in the referendum, the second test is whether there are more votes for than against the referendum. In 2004, the KMT boycotted President Chen's defensive referenda. As a consequence, the two referenda failed to pass because only 45 percent of eligible voters participated, even though those who did participate voted overwhelmingly in favor of the referenda.

How the CEC Counts Voter Participation

¶11. (SBU) A CEC official recently explained to AIT how referendum participation is counted. When voters pick up a referendum ballot, a mark is made next to their name in the registry of eligible voters to indicate that they have already voted. For the purpose of calculating voter participation toward meeting the 50 percent threshold requirement, the CEC counts the number of voters who have taken ballots as indicated in the registry rather than the number of referendum ballots contained in the ballot boxes. If voters willfully destroy or walk off with referendum ballots (violations of Taiwan's election law), they would still be considered as participating in the referendum and count toward meeting the threshold. However, if voters change their minds and return ballots without marking them, the registry will be corrected and these voters will not count as having participated in the referendum. CEC officials have said they expect the number of people taking referendum ballots but not casting them to be insignificant.

¶12. (C) CEC election officials have said they will see how the new system works in the January 12 legislative elections before deciding on voting procedures for the March 22 presidential election and competing KMT and DPP UN referenda. In the minds of many DPP strategists, the KMT's insistence

on two-step voting in the 2004 presidential election and defensive referenda was responsible for the failure of the referenda to meet the 50 percent participation requirement. According to President Chen, the two-step process forced voters to reveal their intentions on the referenda, compromising the principle of the secret ballot, and in addition some voters departed the polling stations without even realizing they could vote on the referenda. Traditionally, the CEC has used one-step voting for combined elections, such as the three-in-one 2005 city, county, and township elections, when voters first picked up multiple ballots for several different elections and then cast them at the same time.

Factors Affecting UN Referendum Prospects

¶13. (C) A variety of factors will affect the percentage of eligible voters who participate in the DPP's UN referendum. These include the election turnout rate, voting procedures, international reactions, public opinion, and how much emotion the DPP is able to generate over the referendum on March 22. A higher presidential election turnout would increase the referendum participation rate. Since direct presidential elections were first instituted in 1996, turnout has been 76 percent (1996), 83 percent (2000), and 80 percent (2004). Polling experts we have talked to expect the turnout rate in 2008 to be somewhat lower than in the past three elections, which, if true, would reduce prospects for passage of the DPP's UN referendum.

Effects of Voting Procedures and Turnout on DPP Referendum

¶14. (C) Global Views Monthly Polling Center Director Tai Li-an suggested to AIT that the way in which referendum ballots are distributed could have a major effect on the DPP UN referendum's prospects. Polling conducted by his center in November indicates that both the DPP and KMT UN referenda would pass if election officials proactively hand the referendum ballots to voters and the election turnout is 80 percent. However, the participation rate for the DPP referendum drops from 54 to 28 percent if the voters have to

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take the initiative and ask for the referendum ballots. In designing his categories, Tai probably has in mind the one-step and two-step voting procedures even though the correspondence may not be exact.

¶15. (C) If turnout in the presidential election is only 69 percent, as Tai now predicts, the respective estimated participation rates for the DPP referendum go down to 43 and 26 percent. In other words, if turnout in the presidential election is relatively low, the DPP's UN referendum is unlikely to meet the 50 percent threshold, regardless of voting procedures. Tai said that support for the DPP referendum has declined since September. He attributed this decline to the perception among moderate voters that President Chen has gone overboard in having all government ministries focus on the UN referendum to the neglect of public concerns about the economy, including price hikes. (Comment: We think it is a bit early to predict turnout levels for the presidential balloting in March. Many factors will figure over the next three months in determining how many voters go to the polls.)

¶16. (C) In September, Tai delivered a presentation on his polling at a conference in Hangzhou with leading PRC Taiwan experts. Tai told AIT that the senior PRC experts he encountered do not have a good understanding of public opinion polling in general or of public opinion in democratic Taiwan. For example, former Taiwan Affairs Office Deputy Director Wang Zaixi "turned color" when Tai told the conference that about 60 percent of the Taiwan public believe that Taiwan is a "normal country." According to Tai, the PRC

had been using a faulty methodology to estimate the prospects for passage of the DPP's UN referendum. Because they were expecting the referendum to fail, they were dismayed when Tai explained to them that the referendum might pass. Tai, who has since revised his prognostication downward, told us that he would be attending another conference in China in December, this time in Beijing.

KMT Sees Reduced Support for UN Referendum . . .

¶17. (C) KMT presidential candidate Ma Ying-jeou recently told AIT Chairman Burghardt and the Director that, based on KMT-commissioned polling from late November, he does not expect either the DPP or KMT UN referendum to pass (Ref A). While some polls six months ago indicated that 70 percent of voters supported the DPP UN referendum, the current KMT-commissioned polls show that only 20 percent of the electorate now support the DPP referendum, while another 16 percent endorse the KMT version and 31 percent will likely abstain from voting on either referendum. (Note: The fact that 33 percent of those polled are not represented -- possibly because they refused to answer -- underscores the limited accuracy of polling here.)

. . . But DPP Confident Its Referendum Will Pass

¶18. (C) In contrast to Ma's negative prediction, DPP Secretary General Cho Jung-tai recently told DDIR that he

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expects the party's UN referendum will pass and that more than 10 million voters will vote for the measure on March 22. Cho cited the 2.75 million signatures that the DPP secured for the referendum proposal to support his view. Research and Development Council Vice Chairman Chen Chun-lin, who coordinates DPP internal polling, suggested to AIT in late November that significant numbers of light Blue voters will cross party lines and vote for the DPP referendum, enabling the measure to slightly exceed the 50 percent threshold requirement. Chen believes a significant number of KMT supporters will vote for both the DPP and KMT referenda.

Comment

¶19. (C) The DPP plans to use the UN referendum as a major voter mobilization tool for the presidential election in March. As the election draws close, the DPP is very likely

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to use strong rhetoric, rallies, and other activities to stir up the passions of the Green base. The party will also work to shape a favorable public opinion climate. With three long months still to go, it is too early to predict whether or not the DPP will be able to push its UN referendum over the 50 percent participation threshold. It is also too early to predict whether compromise or confrontation will characterize referenda voting processes in the January 12 election. But the signs currently suggest the two parties are groping toward an outcome that gives each side face while permitting an orderly process.

YOUNG